

**MICHIGAN VEHICLE CODE (EXCERPT)**  
**Act 300 of 1949**

**257.320d Basic driver improvement course; eligibility; database; use; fees; basic driver improvement course fund; study; report; approval of basic driver improvement course sponsors; security bond; surety; prohibited acts or practices; sanctions; "approved sponsor" defined.**

Sec. 320d. (1) Notwithstanding section 320a, the secretary of state shall not enter the points corresponding to a moving violation committed in this state by an individual the secretary of state determines to be eligible under this section on the individual's driving record or make information concerning that violation available to any insurance company if the individual attends and successfully completes a basic driver improvement course under this section and an approved sponsor provides a certificate of successful completion of that course to the secretary of state not more than 60 days after the date on which the secretary of state notified the individual that he or she was eligible to take a basic driver improvement course.

(2) The secretary of state shall determine if an individual is eligible under subsection (3) to attend a basic driver improvement course upon receipt of an abstract of a moving violation. If the secretary of state determines that an individual is eligible to attend a basic driver improvement course, the secretary of state shall do all of the following:

(a) Notify the individual of his or her eligibility by first-class mail at the individual's last known address as indicated on the individual's operator's or chauffeur's license and inform the individual of the manner and time within which the individual is required to attend and complete a basic driver improvement course.

(b) Provide all eligible participants with information on how to access a list of approved sponsors and basic driver improvement course locations, including the secretary of state's website address and telephone number to call for more information.

(c) If an approved sponsor does not provide notice of successful completion of the course by the individual within the time prescribed in subsection (1), the secretary of state shall enter the points required under section 320a.

(3) An individual is ineligible to take a basic driver improvement course if any of the following apply:

(a) The violation occurred while the individual was operating a commercial motor vehicle or was licensed as a commercial driver while operating a noncommercial motor vehicle.

(b) The violation is a criminal offense.

(c) The violation is a violation for which 4 or more points may be assessed under section 320a.

(d) The violation is a violation of section 626b, 627(9), 627a, or 682.

(e) The individual was cited for more than 1 moving violation arising from the same incident.

(f) The individual's license was suspended under section 321a(2) in connection with the violation.

(g) The individual previously successfully completed a basic driver improvement course.

(h) The individual has 3 or more points on his or her driving record.

(i) The individual's operator's or chauffeur's license is restricted, suspended, or revoked, or the individual was not issued an operator's or chauffeur's license.

(4) The individual is not eligible to take a driver improvement course for a second or subsequent violation an individual receives within the time allowed under subsection (1).

(5) The secretary of state shall maintain a computerized database of the following:

(a) Individuals who have attended a basic driver improvement course.

(b) Individuals who have successfully completed a basic driver improvement course.

(6) The database maintained under subsection (5) shall only be used for determining eligibility under subsections (3) and (4). The secretary of state shall only make the information contained in the database available to approved sponsors under subsection (10). Information in this database concerning an individual shall be maintained for the life of that individual.

(7) An individual shall be charged a fee of not more than \$100.00 by an approved sponsor to participate in a basic driver improvement course and, if applicable, to obtain a certificate in a form as approved by the secretary of state demonstrating that he or she successfully completed the course. An approved sponsor shall remit a portion of the fee, as determined annually by the secretary of state, to cover the costs of implementing and administering this course program.

(8) Fees remitted to the department under subsection (7) by an approved sponsor shall be credited to the basic driver improvement course fund created under subsection (9).

(9) The basic driver improvement course fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. Money in the fund at the close of the fiscal year shall remain in the fund and shall not

lapse to the general fund. The secretary of state shall be the administrator of the fund for auditing purposes. The secretary of state shall expend money from the fund, upon appropriation, only to pay the costs of administering this section.

(10) An approved sponsor shall conduct a study of the effect, if any, that the successful completion of its basic driver improvement course has on reducing collisions, moving violations, or both for students completing its course in this state. An approved sponsor shall conduct this study every 5 years on each of the course delivery modalities employed by the approved sponsor. The secretary of state shall make all of the following information available to the approved sponsor for that purpose, subject to applicable state and federal laws governing the release of information:

(a) The number of individuals who successfully complete a basic driver improvement course under this section.

(b) The number of individuals who are eligible to take a basic driver improvement course under this section but who do not successfully complete that course.

(c) The number and type of moving violations committed by individuals after successfully completing a basic driver improvement course under this section in comparison to the number and type of moving violations committed by individuals who have not taken a basic driver improvement course.

(11) The secretary of state shall report on the findings of all studies conducted under subsection (10) to the standing committees of the house of representatives and senate on transportation issues.

(12) The secretary of state shall approve basic driver improvement course sponsors, and enter into an agreement with approved sponsors, if the basic driver improvement course offered by that sponsor satisfies the requirements listed in section 3a.

(13) A sponsor seeking to be an approved sponsor shall submit to the secretary of state an application on a form prescribed by the secretary of state along with a properly executed security bond in the principal sum of \$20,000.00 with good and sufficient surety. Every sponsor that is an approved sponsor on the effective date of the amendatory act that added this subsection also shall submit to the secretary of state a security bond described in this subsection. The bond shall indemnify or reimburse the secretary of state or an individual taking the sponsor's basic driver improvement course for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the sponsor's business where the fraud, cheating, or misrepresentation was made by the sponsor or by an employee, agent, instructor, or salesperson of the sponsor. The surety shall make indemnification or reimbursement for a monetary loss only after judgment based on fraud, cheating, or misrepresentation has been entered in a court of record against the sponsor. The aggregate liability of the surety shall not exceed the sum of the bond. The surety on the bond may cancel the bond by giving 30 days' written or electronic notice to the secretary of state and after giving notice is not liable for a breach of condition occurring after the effective date of the cancellation.

(14) An approved sponsor shall not engage in a deceptive or unconscionable method, act, or practice, including, but not limited to, all of the following:

(a) Using, adopting, or conducting business under a name that is the same as, like, or deceptively similar to the name of another approved sponsor.

(b) Except as otherwise provided in this subsection, using the words "state", "government", "municipal", "city", or "county" as part of the name of the approved sponsor.

(c) Advertising, representing, or implying that an approved sponsor is supervised, recommended, or endorsed by, or affiliated or associated with, or employed by, or an agent or representative of this state, the secretary of state, or a bureau of the secretary of state.

(d) Advertising or publicizing under a name other than the approved sponsor's full business name as identified on the sponsor's application to be an approved sponsor.

(e) Advertising that the sponsor is open for business before the sponsor becomes an approved sponsor.

(f) Soliciting business on the premises of any facility rented, leased, owned, or used by the secretary of state.

(g) Misrepresenting the quantity or quality of the instruction provided by, or the requirements for, a basic driver improvement course.

(h) Failing to promptly restore any deposit, down payment, or other payment that a person is entitled to after an agreement is rescinded, canceled, or otherwise terminated as required under the agreement or applicable law.

(i) Taking advantage of a student's or potential student's inability to reasonably protect his or her interest because of a disability, illiteracy, or inability to understand the language of an agreement, if the sponsor knows or reasonably should have known of the student's or potential student's inability.

(j) Failing to honor a term of an agreement.

(k) Falsifying a document, agreement, record, report, or certificate associated with a basic driver

improvement course.

(15) Except as otherwise provided in this act, the secretary of state may impose 1 or more of the sanctions listed under subsection (16) if the secretary of state determines that an approved sponsor did 1 or more of the following:

- (a) Failed to meet a requirement under this act or an agreement established under this act.
- (b) Violated this act or an agreement established under this act.
- (c) Made an untrue or misleading statement of a material fact to the secretary of state or concealed a material fact in connection with an application or record under this act.
- (d) Permitted fraud or engaged in a fraudulent method, act, or practice in connection with a basic driver improvement course, or induced or countenanced fraud or a fraudulent method, act, or practice in connection with a basic driver improvement course.
- (e) Engaged in an unfair or deceptive method, act, or practice or made an untrue statement of a material fact.
- (f) Violated a suspension or an order issued under this act.
- (g) Failed to maintain good moral character as defined and determined under 1974 PA 381, MCL 338.41 to 338.47, in connection with its business operations.

(16) After the secretary of state determines that an approved sponsor committed a violation listed in subsection (15), the secretary of state may impose upon the approved sponsor 1 or more of the following sanctions:

- (a) Denial of an application for approval as a basic driver improvement course sponsor.
- (b) Suspension or revocation of the approval of an approved sponsor.
- (c) A requirement to take the affirmative action determined necessary by the secretary of state, including, but not limited to, payment of restitution to a student or to an injured person.

(17) As used in this section, "approved sponsor" means a sponsor of a basic driver improvement course that is approved by the secretary of state under subsection (12) and whose approved status is not suspended or revoked under subsection (16).

**History:** Add. 2008, Act 568, Eff. Dec. 31, 2008;—Am. 2010, Act 289, Imd. Eff. Dec. 16, 2010;—Am. 2012, Act 498, Eff. Mar. 28, 2013.